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Intelligence Memorandum

*Foreign Perceptions of the
Incoming US Administration*

State Department review completed

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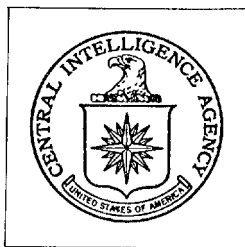
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SOVIET UNION

The major themes marking Soviet thinking about the new US administration have to do with bilateral relations.

Arbatov, director of the USA Institute, has repeatedly voiced concern that American doubts about and opposition to detente raised in the electioneering of 1976 will persist as a negative factor in US policy making into the period of the new administration. In the weeks immediately after the election, major Soviet press commentary held off mentioning "anti-detente forces" with which President Carter would have to deal, but General Secretary Brezhnev explicitly revived this theme during Secretary Simon's visit at the end of November, and it has continued to appear since then.

Following naturally from this point, although not raised bluntly by other Soviets, is their question of how vigorously President Carter will want and will be able to move ahead on bilateral issues, especially arms control and trade.

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This memorandum was prepared by the Office of Regional and Political Analysis.

The US foreign policy appointments were generally viewed as encouraging. The Brown appointment was seen as showing President-elect Carter was willing to overcome the preferences of the allegedly anti-detente elements in Washington. Brown's knowledge of SALT is viewed by the Soviets as a favorable factor. They have not however, reflected in their press coverage the views on the B-1 attributed to Brown in the US press. The Vance appointment is seen as good, but one Soviet journal warned (prior to Vance's meeting with Soviet dissident Amalrik) that he should not try to play the human rights issue to special US advantage.

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On balance, the Soviets are hopeful regarding possible movement on important bilateral matters. SALT is the top Soviet priority. They feel it must be addressed soon, and a fair amount of feeling out has already occurred on arms control issues. Moscow wants to get through the 1977 deadlines of the CSCE review (June), the ABM Treaty review (October), and the SALT I Interim Agreement expiration (October) as smoothly as possible. They have shown some willingness to discuss ABM Treaty-related areas that the US has found troublesome, and the October deadline puts pressure on both sides to get down to business on SALT.

Soviet spokesmen have also heavily stressed the importance of improving trade. Arbatov has pressed for a US sign of goodwill through the granting of MFN status and trade credits. Next to arms control, this is the most important issue in the Soviet view. And as in the case of SALT, the responsibility for initiative, they contend, rests with the US.

The basic Soviet line, most clearly and often carried by Arbatov, is that the period for marking time while US policy was prisoner to campaign pressures is over, and whatever problems may arise out of the process of transition, the period ahead holds more opportunities for progress than the period just left behind. One Soviet gesture to the new administration may possibly now be unfolding in Moscow's emigration policy. The December figure for Soviet Jewish emigres arriving in Vienna is the highest monthly total in two years. This presumably reflects October and November visa-permission decisions.

Brezhnev has stated that he has no intention of "testing" the new administration, but the Soviets have never spelled out what practical restraints on their conduct this implies. The statement may be intended to imply that they will try for some time to avoid aggressive new initiatives intruding on US interests in foreign policy areas outside the bilateral sphere.

EASTERN EUROPE

The East European media have given prominent coverage to the new US administration on the eve of the inauguration. Its overall tone has been moderate and factual.



Most commentaries have taken a wait-and-see position. The East European countries, taking their lead from Moscow, have generally either implied or avowed that they will withhold judgment until the new administration's policies regarding such matters as East-West detente and international economic issues are formulated. Bulgaria and Yugoslavia have carried more negative commentary than other East European countries.

There has been little attempt in the media to assess in any depth individual cabinet appointees except Dr. Brzezinski. The editor of the Polish paper *Polityka* considers him "friendly to Poland," while the Sofia and Prague press emphasize that he is a "well-known anti-Communist."

We have no information concerning the intentions of any East European country to modify current policies toward Washington as a result of the change in administrations. Belgrade is clearly worried about a change in the US attitude toward Yugoslavia, and may well be looking for some reassurance or thinking of ways circumspectly to test that attitude.

Yugoslavia: Yugoslav media commentary on the new administration in Washington varies widely and

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draws mainly from the US press. *Zabreb Vjesnik* stressed last week that the new cabinet is made up of "yesterday's men" whose past mistakes do not bode well for future US policies. Another daily takes a slightly different tack, emphasizing the independence of some of the new appointees and the experience of others. Both commentaries emphasize that Dr. Brzezinski and President-elect Carter belong to the "Trilateral Commission," which *Vjesnik* described as an elite dedicated to strengthening the "shaken position of the capitalist giants."

Romania: Nicolae Nicolae, Romania's new ambassador to the US, has privately told US diplomats that party leader Ceausescu appreciated Romania's good relations with the Ford administration. Nicolae added that Bucharest hoped this would continue under a Democratic administration.

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Poland: The editor of *Polityka* has told a US embassy officer that: "Polish leaders by and large favored President Ford because they knew him. Nonetheless, there is no dismay at Carter's victory, and Polish leaders are waiting to see what the policies of the new administration will be. Zbigniew Brzezinski is considered friendly to Poland."

East Germany: East German media commentary has followed a cautious but sober tone since the presidential election. East Berlin has been very careful not to get out of step with or ahead of Moscow in

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this matter. While not criticizing the President-elect, the East German media have warned that he faces pressures from "right-wing interest groups like the Pentagon and the CIA" for a larger defense budget and advanced weapons systems.

Hungary and Czechoslovakia: Commentary on cabinet members has frequently mentioned Dr. Brzezinski and, secondarily, Schlesinger. A Prague commentator called Brzezinski "the well-known ideologist of anti-communism." A lengthy Hungarian commentary was more circumspect, but nonetheless betrayed nervousness. It tried to end on an upbeat note by pointing out that it remains to be seen how the professor will apply his theories. The Czechoslovak foreign minister, in a late-December article, expressed hope that the new administration would initiate solutions to the gold claims agreement that has troubled bilateral relations.

WESTERN EUROPE

Western Europe, because of its symbiotic relationship with the US, normally displays nervousness when there is a change of administration in Washington. In the weeks immediately after the election, Europeans tried to divine the new administration's attitudes toward questions of greatest interest to them by scrutinizing campaign statements, poring over post-election comments, and speculating on the views of potential cabinet members and other presumed close to the President-elect. West European uncertainties began to recede with the appointments to the cabinet. Europeans profess to feel comfortable with the selections to key jobs, and recent policy pronouncements have reassured them that the new administration apparently does not intend to move in directions that would cause them problems. The mood in Europe is still wait-and-see, but it seems more confident than before.

Europeans generally see the new administration moving toward a more rational, ordered conception of the world. The nomination of Andrew Young was everywhere applauded as a recognition of the importance of the third world. There are mixed feelings about the so-called "trilateral approach"--the US, Europe, and Japan. Many see it as reaffirming the centrality of the developed-underdeveloped dialogue over the next few years; others fear it will encompass some new grand design that will demand more of Europe than it believes it can afford. Europeans generally agree that the US will move away from the personalized style of diplomacy and strengthen institutional frameworks.

Europe Between the US and USSR

Europeans approve what they perceive as a new recognition of the growing Soviet military threat,

and the President-elect's message to the NATO Ministerial was widely applauded as a well-timed, needed reassertion of the US commitment to the common defense. Although they are disappointed with Soviet performance under CSCE, Europeans are not interested, in adopting a tougher approach toward the Communist world. They want to preserve the fruits of detente and its hope for the future. The West German government, in particular, has a large political investment in its Ostpolitik.

Europeans have mixed feelings about a Carter-Brezhnev meeting on SALT. Many regard it as a proper and necessary early first step on a subject vital to all, but others see it foredoomed to failure. The West Germans would like a new political initiative at the summit to get the MBFR negotiations moving again.

Europe and the US

Most European officials consider the quality of US-European relations to be quite good, and do not believe much change is necessary. Europeans are flattered by the reaffirmation of their importance to the US, see hopeful signs that the US will continue to coordinate policies with them--especially with the EC as an institution--and believe the administration's domestic economic program offers hope for leading the industrial democracies out of the economic doldrums.

Eurocommunism

There is still much speculation, especially in Italy and France, about the new administration's attitude toward communist participation in West European governments. Initial impressions in Europe were

that the new attitude would be more flexible than the old--that while the US would not welcome communist participation, the US would be less likely to marshal resources to oppose it. Indeed, some officials have speculated that the US might tolerate such participation in the hope that in the long run it might prove unsettling in Eastern Europe. Since the *Time* interview with President-elect Carter, however, Europeans have concluded that the administration is still studying the issue. The French socialists and communists and the Italian communists hailed the earlier signs of flexibility, but now one Italian communist press article has suggested that the President-elect is not "keeping all of his promises."

Nuclear Proliferation

Germany and France, the principal producers of commercial nuclear technology, are quite concerned that the new administration will insist on modifying or canceling sales deals with third countries in the interest of limiting the potential for misuse.

The French and Germans both have significant domestic nuclear industries whose survival depends on the sale of nuclear plants and materials to primarily third-world states. These commercial considerations have until recently determined both countries' policies toward nonproliferation efforts--principally through the nuclear suppliers talks--based on agreed restrictions on the export of certain sensitive nuclear equipment and technologies. Both Bonn and Paris have complied with the requirements of the export guidelines

but neither country

formerly was willing to rule out completely the export of enrichment or reprocessing facilities, thus preventing adoption of more stringent guidelines by the nuclear suppliers group.

Recently, however,--partly in anticipation of what they expect to be even stricter nonproliferation policies of the Carter administration--both countries have begun to move closer to US policies.

Greek-Turkish Tensions

The Greeks clearly hope the new administration will follow the lead of past Democratic administrations and congresses in their generally pro-Greek position and will honor its pre-election promises to be more responsive to the Greek case against Turkey. Although Prime Minister Caramanlis does not expect dramatic change, he is hoping for some and is anxious to meet soon with US officials. He reportedly can go along with either approval or nonapproval of the Greek and Turkish Defense Cooperation Agreements so long as the US shows more understanding for Greek rights in Cyprus and the Aegean. He also seems inclined to cash in on currently declining anti-Americanism in Greece to complete base negotiations and improve relations with NATO. He is trying, however, to tamp down pro-Carter euphoria lest the new administration create another backlash by being unable or unwilling to fulfill Greek expectations.

On Cyprus, Makarios sees a responsive US government pressing the Turks as the only way to recoup some of the Greek Cypriot losses. He, too, reportedly expects no miracles, but will cooperate in the hope that Turkey may ultimately be persuaded to make concessions.

The Turks, on the other hand, see the new administration as less well disposed toward Turkey than the last. Prime Minister Demirel fears being squeezed between US pressure for concessions to Greece and domestic pressure to remain firm. He recognizes the US stake in Turkey, however, and is taking a cautious, wait-and-see stance.

THE MIDDLE EAST

Arab Perceptions: The principal Arab states seem to be overcoming their concern over the change in administrations, although there is still some residual uneasiness over what was construed as pro-Israeli rhetoric during the campaign. The Arabs' initial disappointment over the outcome of the election was prompted primarily by concern that they would have to start from scratch in revitalizing peace negotiations and by their perception of the Democratic Party as more sympathetic to Israel than the Republicans.

Most Arab officials are encouraged by President-elect Carter's and Mr. Vance's reputations for fairness. Egyptian diplomats, for instance, are interpreting President-elect Carter's recent statement on meeting with Arab and Israeli leaders as an effort to put all parties on an equal footing. The Egyptians--and to a lesser extent the Saudis--have incorporated the theme of fairness in their new peace offensive; this is probably an expression both of genuine sentiment and of their expectation of US evenhandedness in the coming months.

The Egyptians, and probably the Syrians and Saudis as well, seem to have mixed feelings about Dr. Kissinger's departure. On the one hand, they lament the passing of his personal style of negotiating; on the other, they seem relieved that the era of "step-by-step" diplomacy is over and are anticipating greater receptivity in the US to their bid for an overall settlement.

There is much speculation in every Arab capital about what direction US Middle East policy will take, and the President-elect's comments are thoroughly

vetted for nuances. The Egyptians profess to find hopeful signs, while the Syrians appear to be more pessimistic. President Asad remains dubious both of the Israelis' readiness to negotiate and the willingness of the US to press Israel for concessions. At the same time, Syrian officials, from Asad on down, have stressed their desire for a "just peace," their readiness to be patient, and their hope that President-elect Carter will take steps to promote progress on the negotiating front.

Israel: Israeli Prime Minister Rabin expects Washington to begin pressing for serious negotiations with the Arabs at a reconvened Geneva conference soon after the Israeli national election in May. He anticipates trouble with the US if it pushes too far and too fast for concessions on the Palestinian question or for Israeli territorial withdrawals--a concern shared by the Israeli public. Rabin accordingly will seek to maintain close contacts with Washington so as to coordinate negotiating strategies. He also would hope that a highly visible dialogue, implying an endorsement by the new US government, would help boost his sagging popularity at home and put him one up on his arch-rival, Defense Minister Peres, for the Labor Party's nomination.

Iran: Iranian reaction to the new administration has been low-key. The attitude at all levels of the government has been described by the embassy as one of "watchful optimism." Most officials believe that there will be little change in US-Iranian relations, but there is some concern over the tendency to link arms sales with the issue of human rights.

EAST ASIA

China: The Chinese have not had an easy time arriving at an initial assessment of the incoming Carter Administration. Their interpretation of signals emanating from the Carter team during the transition period has left the Chinese somewhat concerned that their interests may receive short shrift under the new administration.

On bilateral relations, Peking is apprehensive that the US may relegate ties with China to the backburner and allow the understandings reached during the Nixon/Ford years--in particular the Shanghai Communiqué--to lapse. The Chinese apparently believe that the President-elect's background predisposes him to concentrate on domestic problems, and they worry that when he turns to foreign affairs, the Soviet Union and the Middle East, not China, will be his primary interests.

Chinese diplomats abroad have expressed concern that President-elect Carter has said relatively little about relations with Peking, while reaffirming on a number of occasions US ties to Taiwan. Officials at the Chinese Liaison Office in Washington have questioned Americans on why the President-elect has not yet mentioned the Shanghai Communiqué. Elsewhere, Chinese diplomats have voiced the fear that the provisions of the document may not be implemented by the new administration. This was probably uppermost in Foreign Minister Huang Hua's mind last week when he told Ambassador Gates that Sino-US relations would continue to develop "so long as both sides strictly abide by the principles of the Shanghai Communiqué."

These sensitivities led Peking, following the election, to convey its interest in making further

progress on bilateral relations. The Chinese, while continuing to reserve the right to use force to bring about Taiwan reunification, have been taking pains to signal that they are willing to be patient and to work toward a peaceful solution. The Chinese have nevertheless not varied their long-standing conditions for the normalization of relations: the US must break diplomatic ties with Taipei and terminate its security treaty with the Chinese Nationalists.

Chinese officials abroad also seem to be probing for reassurances from Washington. A PRC diplomat recently suggested that the US should make "concrete proposals" for further implementation of the Shanghai Communique, and another said that Peking would like to see some "gesture" that Washington is interested in improving bilateral ties.

Chinese leaders continue to emphasize to US visitors that they are willing to exercise restraint on the Taiwan question so long as the US does not substantially improve its relations with the Soviet Union. Peking has been worried for some time that US-Soviet detente will get a new lease on life. The President-elect's expressed interest in trimming the defense budget and his emphasis on the importance of reaching another SALT agreement have not made the Chinese rest any easier. In this regard, the Chinese were disappointed that Dr. Schlesinger, whose views on international affairs closely parallel their own, was not appointed Secretary of Defense.

But the Chinese are far from seeing the picture as uniformly bleak. They were buoyed by Secretary of Defense-designate Brown's remarks playing down the possibility of a military budget cut and by the President-elect's expression of support for NATO as well as his tougher handling of the Soviets at his December 27 press conference. Similarly, the appointment of Dr. Brzezinski to head the National Security

Council has drawn implicit approval from the Chinese through the Peking-controlled media in Hong Kong. Although the evidence is as yet sparse, the Chinese seem to have come to a tentative conclusion that Brzezinski is likely to take a harder line than Vance in dealing with the Soviet Union.

Japan: Tokyo does not expect that President-elect Carter will bring any major changes in US policy toward Japan. Prime Minister Fukuda has publicly stated that he hopes for an early meeting with the President-elect, preferably before this year's international economic summit conference. Fukuda no doubt wants to explore common ground on issues likely to be raised at the summit as well as to discuss bilateral topics. The press of legislative business, however, may not allow him to leave Japan, and he may be considering sending a special envoy.

The Japanese foresee continuity in US economic policy as it affects Japan, although some official--and business--apprehension has been expressed over the possibility that the new administration may increase pressures on Japan to correct the current imbalance in bilateral trade. Otherwise, official spokesmen have reacted positively to the President-elect's interest in promoting closer cooperation and consultation among the industrial democracies. They have taken special note of his previous contacts with Japan through the Trilateral Commission.

The Japanese have expressed some concern over the future course of US-South Korean relations. Official statements have stressed Tokyo's desire for a continued US military presence in South Korea and for close consultations on any future moves in US Korean policy. Japanese press and editorial comment on this theme reflects the view that relations between Washington and Seoul may be strained for

some time. Officials in Tokyo have not so far publicly raised questions about the US commitment to defend South Korea. They are clearly concerned, however, about the possible effects of alleged South Korean improprieties in the US and are uncertain about the policies of the new administration. Last summer, in a message to both the current and future administrations, Tokyo cautioned against a precipitate move to establish ties between the US and China.

South Korea: South Korea continues to claim publicly that relations with the US are on track, but officials in Seoul privately express concern about the future of bilateral dealings. Despite long-term planning for greater military self-reliance, they are particularly concerned about President-elect Carter's proposals for a phased withdrawal of US ground forces.

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Seoul has dismissed earlier plans to send a special emissary to meet with aides of the President-elect before the inauguration. Instead, South Korea hopes to arrange a meeting between Secretary of State-designate Vance and Foreign Minister Pak Tongchin in March before Congress debates the Foreign Military Loan Act. Seoul wants this summit to focus on the question of a phased troop withdrawal; parallel discussions with the Japanese are envisioned for February.

North Korea: North Korea has still avoided direct public comment on the incoming administration.

This treatment differs from that in 1968 and 1972, when the North Korean press was quick to brand the US election results a "farce." North Korean President Kim Il-song has said privately that he would take a "wait-and-see" attitude toward the new US administration. North Korea media have begun to report without comment statements by foreign groups on President-elect Carter's "commitment" to a phased withdrawal of US forces from Korea. In past years, North Korean reaction to the idea of the gradual reduction of US troops in Korea has been distinctly negative: they have demanded instead an "immediate" pullout.

SOUTHEAST ASIA

The Southeast Asian nations generally are viewing the incoming administration with some reserve. They perceive a diminished US interest in the region, and the non-communist countries are somewhat fearful of a further reduction of the US military presence in Asia. Most, however, are waiting for a clearer impression of President-elect Carter's policies before taking specific initiatives of their own.

ASEAN, the Association of Southeast Asian Nations, is sensitive to the lack of expressed interest in Southeast Asia by the President-elect. Spokesmen for the organization have said they would like some indication of an awareness of the region, such as mention of its importance in the inaugural address.

Indonesia: The Indonesians are generally upbeat in the public commentary on the new US administration, although they do point to the declining US interest in Southeast Asia. High Indonesian government officials consistently express hope for increased US appreciation of the importance of both Indonesia and ASEAN in promoting security and stability in the region and increased American interest in strengthening local and regional defenses. Indonesian officials are particularly anxious to have US military assistance continue.

Malaysia: Malaysian officials state privately that their government favors a positive role for the US in Southeast Asia, and hope that the US will maintain a military capability in the region, particularly in Guam and the Philippines. They do not acknowledge such a position publicly, however, because to do so would bring into question their carefully nurtured

third-world credentials. Perhaps contradictorily, they would like the US to endorse their concept of a Zone of Peace, Freedom, and Neutrality in Southeast Asia.

Singapore: Lee Kuan-yew, prime minister of Singapore, has been forthright in expressing the hope for continued US involvement in the region, pointing to what he perceives as a growing Soviet influence in Southeast Asia and the Indian Ocean.

The Philippines, Australia, and New Zealand: These countries are open-minded, but somewhat concerned about the incoming administration. The Filipinos wonder whether the new administration will take a harder line in the negotiations on the future of US bases in the Philippines. Australian and New Zealand news media have engaged in some worried speculation that the Carter administration might place less than the traditional emphasis on the ANZUS alliance.

Thailand: The Thais reaction to the incoming administration has been low-key, although they, too, are concerned about a possible lack of interest in Southeast Asia. The Thai government is likely to seek reassurances about the extent of US defense commitments to Thailand and may ask for additional economic and military aid.

Vietnam: Media coverage on the election and subsequent appointments has been fairly straightforward. Hanoi appears to be hopeful that some progress can be made toward normalizing US-Vietnamese relations. The Vietnamese are clearly eager to overcome US opposition to their membership in the UN, but are not likely to make any dramatic concessions.

SOUTH ASIA

Pakistan: Prime Minister Bhutto will apparently take few initiatives until he can determine how strongly President-elect Carter will oppose Pakistan's plans to buy a French nuclear reprocessing plant. Bhutto warned publicly in November that he might consider withdrawing Pakistan from the CENTO alliance if the US increased its pressure.

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India: The Indians are generally optimistic that the Carter administration will adopt a friendlier, more sympathetic attitude toward India, largely because they think that Democrats have a more positive view of India than Republicans. They do not expect, however, that US policies toward India will change significantly under the new administration. Their primary concerns relate to possible US sale of fighter bombers to Pakistan and a possible tightening of US controls on nuclear exports as a result of worry in the US about proliferation.

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AFRICA

Black Africa: Black African countries believe the incoming Carter administration will reaffirm the commitment of the US to the principle of majority rule in southern Africa.

This issue is the current focus of African interest, and US intentions are likely to be measured --with considerable emotion in some capitals-- in terms of progress toward a solution of the problems of Rhodesia, South Africa, and Namibia. Specific expectations include forthright US political support for majority rule and increased economic pressures, especially on South Africa.

The US embassy in Lagos reports that the government of Nigeria is so encouraged by the Carter election that there is risk of disappointment if the new administration does not move quickly. Nigerian head of state Obasanjo told Senator Clark, who visited Lagos in early December, that he views the US as a key factor in efforts to achieve black majority rule in southern Africa.

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On other issues, black African leaders appear to expect much from the Carter administration. This has been reflected both in media response and in comments by high-level officials. Niger's President Kountche, who noted that he was also echoing the views of Ivorian President Houphouet-Boigny, Senegalese President Senghor, Zambian President Kaunda, and other African friends of the US, told the US ambassador that Washington should give strong support to Africa for economic development. He said that if it does, Africans will take care of their political problems themselves. Kountche indicated that his personal assessment is that the style of US policy under the new administration will be more activist in Africa, and more rigid in dealing with the Soviets across the board.

The continent's two most idiosyncratic leaders have registered their special pleas. Ugandan President Amin [redacted] hopes Washington will consider reopening an embassy in Uganda. Central African Emperor Bokassa has already raised again the long-pending question of an official visit to the US.

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Few African leaders have commented on President-elect Carter's cabinet appointments. Andrew Young, ambassador-designate to the UN, is the only figure whose appointment has generated much reaction--almost universally favorable--in Africa. A Nigerian radio commentary called Young's nomination a "first positive step" toward a mutually beneficial relationship between the US and black Africa. An editorial in a Kenyan daily said Young's appointment gives American blacks a voice in the formulation of US foreign policy at the highest levels for the first time. The official bulletin of the government of Upper Volta said the

appointment "puts the US at the side of the third world" and raises expectations of "hardening of the US attitude toward minority white regimes."

South Africa: Prime Minister Vorster took a hard line in his New Year's address, saying that South Africa would have to defend itself without counting on support from the West. This line is in keeping with the general pessimism of South African whites regarding the President-elect's intentions. South African officials, however, probably hope to see the new US administration temper its political pressures because of strategic considerations. They were encouraged by Carter's pre-election interview with the South African *Financial Mail*, in which he said he favored an increase in US diplomatic efforts --backed up by constructive use of US economic leverage, rather than sanctions--to achieve lasting peace in Africa on the basis of majority rule with protection for minority rights.

LATIN AMERICA

The prospect of a Carter administration has generally been viewed favorably throughout Latin America. Brazilian officials, however, are concerned about the incoming administration's negative views of Brazil's nuclear accord with West Germany, Chile is worried about the human rights issue, and Panama is concerned about prospects for a favorable canal treaty.

Brazil: Brazilian leaders are disturbed by the President-elect's recent public statements that he will attempt to have the Brazil/West German nuclear accord abrogated.

One prominent retired general characterized the President-elect's remarks as a "public humiliation" to Brazil. Similar views were voiced in a recent press conference by Foreign Minister Silveira, who said that "the period of better understanding with the US is about to end."

Although President Geisel has expressed the hope that the traditionally close relationship with the US will be maintained and strengthened, he can be expected to register a sharp protest if the nuclear contracts with the Germans fall through or if implementation is postponed. Putting the nuclear controversy aside, most Brazilians hope that US leaders will continue to treat Brazil as an emerging power and will work to strengthen bilateral economic ties.

Chile: Initial apprehension and disappointment with the outcome of the US election appears to be giving way to cautious optimism that relations can be improved. The Pinochet government has made some attempt to improve the lot of political prisoners, clearly with a view to getting on a better footing

with the US. The recent appointment of an influential and capable new ambassador to the US is probably meant to signal the junta's desire to further its poor image. Chile's leading newspaper and semi-official voice, *El Mercurio*, recently praised President-elect Carter's cabinet selections.

Panama: Initial Panamanian reaction to the election of Governor Carter was probably the most wary in Latin America. In recent weeks, however, the statements of leading officials, including Chief of Government Torrijos, have indicated a growing optimism. This does not mean, however, that Panama will cut back on its campaign to gain international support for its position on the canal treaty.

Foreign Minister Aquilino Boyd expressed considerable concern at some of Carter's campaign statements, but also welcomed the return of a Democratic administration, which, he said, have traditionally been more concerned with Latin America. More recently, the combination of the appointment of Cyrus Vance as Secretary of State designate and the publication of the Linowitz Committee's recommendations concerning the region have led to greater Panamanian optimism. The appointment of Vance, who was intimately involved with the canal problem in the 1960s was well received in all quarters. The priority accorded the canal treaty as a hemispheric issue in the Linowitz report was also welcome, as was the return of the US negotiating team for talks in December.

Panama will probably assume a relatively responsible posture toward the US in the early months of 1977, but it is not likely to alter its energetic campaign to gain international support for its position. For starters, Foreign Minister Boyd and other

officials are traveling to various Latin American capitals as part of an effort to obtain written documents from heads of government supporting Panama's position.

Cuba: Comments in the Cuban press during the US election campaign made clear that the Cubans considered the Democratic slate as the lesser of two evils. Since the election, the tone of the Cuban media and statements by Cuban leaders has been one of cautious optimism.

The Castro regime is committed to an improvement in relations with the US. Even Raul Castro, who is generally believed to be skeptical of the benefits of improved relations with the US, said in a speech in early December that he, too, was committed to better ties. He commented that Havana would "look with anticipation" for signs of "realism" among the new US leaders.

Although Havana clearly wants to improve relations with the US, the Cubans insist that the US must be the first to move and that the blockade must be terminated before talks on a reconciliation begin. Havana has little to offer in return. There may be a temporary slackening of propaganda demanding Puerto Rico's independence, but the Castro regime will remain committed to that goal and to the support of revolutionary movements throughout the world.

Peru: Peruvian military circles perceive the President-elect as "anti-Chilean" and believe Peru will have a "special relationship" with the US. They base this expectation on what they claim is the personal friendship of the President-elect with several Peruvian officers, including Admiral Arturo Calisto Morey, an Annapolis graduate who is to become Peru's naval attache to Washington.

Jamaica: Prime Minister Manley expressed expectations for improved relations with the Carter administration in a televised interview on November 29; "We are looking forward with great interest to developing a new set of relations with a new administration. We have noticed that Mr. Carter has gone out of his way to say that he wished the US to seek better relations with third-world countries. We are very interested in the remark, very encouraged." Manley added, however, that his government would not pursue better relations with the US at the expense of its principles. "We will not," he said, "change as third worldists, as anti-apartheidists, as people who are part of a struggle for justice in the world."

The Manley government will expect substantial assistance from the US to help them meet what they consider to be their needs of \$150 to \$200 million in the near future.

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Mexico: President Jose Lopez Portillo will be President Carter's first official visitor, and the Mexicans view this as an indication that the new US administration will take a greater interest in relations with Mexico. The Mexican President probably will want to discuss the customary bilateral issues (trade, narcotics, illegal immigration) as well as new matters such as the pending treaty on exchanging citizens sentenced to jail.

Venezuela: President-elect Carter continues to receive generally favorable coverage in the local media. The Caracas press, in particular, appears to

be attempting to satisfy the Venezuelans' curiosity about the President-elect and his views on Venezuela and Latin America.

Much of the editorial comment reflects aspirations for improved relations with the US and hopes that an economic confrontation between the industrialized countries and the developing nations can be avoided.

President Carlos Andres Perez has refrained from all but the most bland comments on the President-elect. He has told Ambassador Vaky privately that he is worried about the course that the new administration will follow in Latin America. Perez went out of his way to justify Venezuela's international economic policies, defending OPEC and recent petroleum price increases and warning that the new administration did not have much time to establish "an effective and constructive relationship with Latin America."

President Perez and high government party officials have reacted negatively to President Ford's proposal for Puerto Rican statehood. They have expressed the hope that the Carter administration will bury this proposal quickly and pursue a goal of self-determination and independence for the island.

Opposition party leaders evidence more skepticism about prospects for improved US ties. There is general approval of what they expect to be the new administration's commitment to human rights and morality in foreign affairs, but even here they are waiting for the President-elect "to honor his words."

Argentina: The Argentines appear to have ambivalent feelings about the advent of a Democratic president and a heavily Democratic Congress. On the

one hand, they applaud the return of the party of John F. Kennedy, widely revered in Latin America. On the other, the Argentines are concerned over what they expect to be an increasingly liberal US government that will pursue more vigorously questions concerning the abuse of human rights. Argentine commentators and officials probably view this as the single most worrisome aspect of the incoming administration.

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